



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
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WASHINGTON DC 20350-1000

SECNAVINST 7042.12E
AAUSN
25 May 2010

SECNAV INSTRUCTION 7042.12E

From: Secretary of the Navy

Subj: GUIDELINES FOR THE USE OF EMERGENCY AND EXTRAORDINARY
EXPENSE FUNDING OTHER THAN OFFICIAL REPRESENTATION FUNDS

Ref: (a) 10 U.S.C. 127
(b) SECNAVINST 7042.7K
(c) 5 U.S.C. 5536
(d) SECNAVINST S3810.5B (NOTAL)

1. Purpose

a. To prescribe Department of the Navy (DON) policy for the use of Emergency and Extraordinary Expense (EEE) funds for intelligence and liaison activities, counterintelligence, Security and Investigative Activities (S&IA), and for other appropriate uses by the Secretary of the Navy;

b. To clarify responsibilities for the establishment of policy and procedure for the use of certain categories of EEE funds; and

c. To delegate authority to expend EEE funds.

2. Cancellation. SECNAVINST 7042.12D.

3. Background

a. Reference (a) authorizes the Secretary of a Military Department to "provide for any EEE which cannot be anticipated or classified." When provided for in an appropriation, EEE funds may be spent on approval or authority of the Secretary of the Navy for any purpose the Secretary determines to be proper. Such a determination is final and conclusive upon the accounting officers of the United States. The Secretary of the Navy may also certify the amount of any expenditure he or she considers advisable not to specify, and the Secretary's certificate is

sufficient voucher for the expenditure of that amount. The Secretary of the Navy may delegate this authority to any person within the Secretary's department, with or without successive re-delegations.

b. EEE funds are authorized as part of the Operations and Maintenance, Navy account in the annual Defense Appropriation Act(s). Operations and Maintenance, Marine Corps funding is not authorized to be used for EEE. The Assistant for Administration, Under Secretary of the Navy (AAUSN) is the Budget Submitting Office (BSO) (12) for all DON EEE. AAUSN allocates EEE funds to the activities according to the budget requests submitted by the resource sponsors and within the parameters of authority described in reference (a), and the fiscal limits described in the applicable annual Defense Appropriation Act(s). The DON EEE funds are administratively divided among, and used for:

(1) Intelligence Contingency Funds (ICF), which includes foreign intelligence, non-foreign counterintelligence, counterintelligence, and intelligence liaison activities;

(2) The Foreign Counterintelligence Program (FCIP);

(3) The Military Intelligence Program (MIP);

(4) S&IA;

(5) EEE determined to be proper and approved or authorized by the Secretary of the Navy; and

(6) Official Representation Funds (ORF).

c. This instruction applies only to funds expended in support of subparagraphs 3b(1) through 3b(5) above. Reference (b) applies to ORF, subparagraph 3b(6) above.

4. Policy

a. General. It is DON policy that funds shall be provided for EEE related to intelligence contingencies, the FCIP, MIP, S&IA, and Secretary of the Navy EEE, where security considerations, opportunity, timeliness, or other circumstances peculiar to such purposes make use of other funds impractical or undesirable. An emergency or extraordinary expense is one that

cannot be anticipated or one that cannot be classified. If one of these two conditions exists, EEE funds may be used. Therefore, EEE funds may be used for an expense that cannot be anticipated, which means it must not recur on a regular basis. EEE funds may also be used for an expense that, although anticipated, cannot be classified. An expense cannot be classified when it cannot be charged to another current appropriation account. The Secretary of the Navy may approve or authorize the expenditure of EEE funds for any purpose he or she determines to be proper.

b. Confidential Military Purposes. When normal vouchering and accounting procedures cannot be used for EEE, reference (a) authorizes the use of the confidential military purposes procedure. "Confidential military purposes" arise when use of normal funding channels would compromise the security of operations, jeopardize the safety of personnel and sources involved, or result in losing an investigative or intelligence opportunity. The confidential military purposes procedure permits the Secretary of the Navy to certify the amount of any EEE authorized by the Secretary, or his or her delegatee, that he or she considers advisable not to specify. This certificate is sufficient voucher for the expenditure and is binding upon the accounting officers of the United States. Note that not all EEE are for confidential military purposes.

c. Prohibitions. Per reference (c), EEE funds will not be used to supplement the pay and allowances authorized by law for services or duties performed by an employee or a member of a uniformed service, nor to augment other DON appropriations.

5. Definitions

a. BSO. BSOs are those administering offices or commands responsible for preparation, compilation, and submission of budget estimates and supporting materials directly to the Office of Budget for the DON, Office of the Secretary of Defense/Office of Management and Budget, and President's Budget submissions.

b. EEE Policy Sponsors. EEE policy sponsors are those offices responsible for overall policy management governing a specific EEE category. The Deputy Chief of Naval Operations (Information Dominance) (CNO (N2/N6)), Office of General Counsel, and AAUSN are the EEE policy sponsors within the DON.

c. EEE Managers. EEE managers are those offices that approve, authorize, and certify EEE expenditures. In addition to the Secretary of the Navy, there are three other EEE managers in the DON. They are listed in paragraph 6 below.

6. Delegation of Authority. Consistent with the guidance herein, the following EEE managers are delegated authority to obligate and expend EEE funds for the purposes authorized and allocated by AAUSN and to use the confidential military purposes procedure(s):

- a. Commander, Office of Naval Intelligence;
- b. Director, Naval Criminal Investigative Service; and
- c. Director of Intelligence, U.S. Marine Corps.

7. Responsibilities

a. BSO. AAUSN shall serve as the DON EEE BSO (12) with responsibility for overall funds management and coordination of overall policy management.

b. EEE Policy Sponsor. To ensure consistency in policy issues governing the expenditure of EEE funds, e.g., questions of interpretation or the appropriate use of EEE funds shall be referred to the appropriate EEE policy sponsor as identified below:

(1) CNO (N2/N6) is the EEE policy sponsor for all EEE funds in the MIP and National Intelligence Program. This includes General Defense Intelligence Program EEE funds, which fund ICF activities, and FCIP EEE funds.

(2) Office of the General Counsel is the EEE policy sponsor for S&IA funds.

(3) AAUSN is the EEE policy sponsor for Secretary of the Navy EEE funds.

c. EEE Managers. Consistent with the guidance herein, EEE managers shall:

(1) Issue implementing instructions governing policy administration, and approval of EEE expenditures within their area of responsibility;

(2) Ensure the implementing instructions are coordinated with the appropriate EEE policy sponsor, AAUSN as the EEE BSO, and specifically approved by the Under Secretary of the Navy;

(3) Initiate audit controls to ensure compliance with the implementing instructions;

(4) Authorize use of EEE funds for purposes not specifically covered by implementing instructions, if such purposes are consistent with the general guidance herein;

(5) When providing EEE funds, identify such funds as EEE;

(6) When using the confidential military purposes vouchers procedure, ensure specific documentation of the EEE claim is maintained at the EEE manager level;

(7) Ensure any obligation or expenditure in excess of \$500,000 is the subject of separate congressional reporting/notification requirements as required by subsection (c) of reference (a);

(8) Ensure any EEE liaison function in excess of \$10,000 receives Under Secretary of the Navy approval;

(9) Ensure any sensitive international EEE is approved in advance by the Under Secretary of the Navy per reference (d);

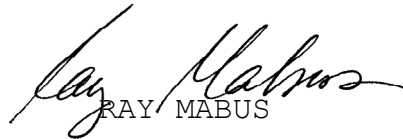
(10) Submit annual financial plans to AAUSN, the EEE BSO, for presentation to the Secretary of the Navy;

(11) Obtain specific approval from the Secretary of the Navy via the AAUSN for any proposed expenditure constituting an exception to the policy stated in paragraph 4; and

(12) Re-delegate the authorities described above as appropriate in coordination with the EEE Policy Sponsor and the EEE BSO.

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8. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed per Secretary of the Navy Manual 5210.1 of November 2007, and shall be made available for audit or inspection upon demand by the AAUSN or other DON auditing or inspection agency.



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